



SiS Mobile Holdings Limited

新龍移動集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1362

2017

INTERIM REPORT

*For identification purpose only

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Message from the Chairman

Dear Shareholders,

I am pleased to present the financial results of the Group for the six-month period ended 30 June 2017.

BUSINESS REVIEW

For the first half of 2017, demand for smartphones continued to decline. Sales revenue also decreased. The Smartphone market in Hong Kong continues its downward trend since September 2015. Revenue for period ended 30 June 2017 reduced 47% as compared to the same in 2016 as consumers began to move to lower priced brands in the face of challenging economic landscape and lower revenue from mobile handset sales. Despite this backdrop, the Group reported a small profit of HK\$484,000 as compared a net loss for the same period in 2016.

Our gross profit has also show signs of improvement with better cost controls and improvement in inventory level controls. The Group will continue streamlining its operation and explore new growth opportunities.

PROSPECT

The global economic environment continues to be challenging. The growth of smartphones continues to remain stagnant. This coupled with the slowing growth in tourists especially cross-border arrivals and a strong HKD posed tremendous challenges for distributors and retailers. Despite the challenging business environment, the Group will continue to seek for higher margin and higher growth product category to add to our stable of products we are currently distributing. With a strong balance sheet and an experienced management team, the directors are cautiously moving ahead with confidence. The Group will also continue to seek and capture opportunities in new segments to add to our income streams.

APPRECIATION

We would like to express our appreciation to our dedicated staff for their contributions, as well as hard work and to our customers, business partners, shareholders and directors for their continuing support.

On behalf of the Board

SiS Mobile Holdings Limited

LIM Kia Hong

Chairman

Hong Kong, 21 August 2017

The directors (the “Directors”) of SiS Mobile Holdings Limited (the “Company”) are pleased to announce that the condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2017 together with comparative figures for the corresponding period in 2016. The interim financial statements have been reviewed by the Company’s audit committee.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Six months ended	
		30 June	30 June
		2017	2016
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	4	189,233	359,311
Cost of sales		(177,062)	(351,007)
Gross profit		12,171	8,304
Other income		104	108
Selling and distribution expenses		(3,818)	(5,043)
Administrative expenses		(7,610)	(10,925)
Finance costs		–	(28)
Profit (loss) before tax	5	847	(7,584)
Income tax expense	6	(363)	–
Profit (loss) and total comprehensive income (expense) for the period attributable to owners of the Company		484	(7,584)
		HK cents	<i>HK cents</i>
Earnings (loss) per share	7		
– Basic		0.17	(2.71)
– Diluted		0.17	(2.71)

Condensed Consolidated Statement of Financial Position

AT 30 JUNE 2017

	Notes	30 June 2017 HK\$'000 (unaudited)	31 December 2016 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	<u>18</u>	<u>20</u>
Current assets			
Inventories		29,427	33,192
Trade and other receivables, deposits and prepayments	10	38,688	28,878
Investment held for trading		75	99
Tax recoverable		1,680	2,042
Bank balances and cash		<u>70,019</u>	<u>73,510</u>
		<u>139,889</u>	<u>137,721</u>
Current liabilities			
Trade payables, other payables and accruals	11	<u>38,820</u>	<u>37,667</u>
Net current assets		<u>101,069</u>	<u>100,054</u>
Total assets less current liabilities and net assets		<u>101,087</u>	<u>100,074</u>
Capital and reserves			
Share capital	12	28,000	28,000
Reserves		<u>73,087</u>	<u>72,074</u>
Equity attributable to owners of the Company and total equity		<u>101,087</u>	<u>100,074</u>

Condensed Consolidated Statement Of Changes In Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Attributable to the owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note)	Share options reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2016 (audited)	28,000	2,522	3,497	3,674	67,420	105,113
Loss and total comprehensive expense for the period	-	-	-	-	(7,584)	(7,584)
Recognition of equity settled share-based payment	-	-	-	1,343	-	1,343
At 30 June 2016 (unaudited)	28,000	2,522	3,497	5,017	59,836	98,872
At 1 January 2017 (audited)	28,000	2,522	3,497	6,359	59,696	100,074
Profit and total comprehensive income for the period	-	-	-	-	484	484
Recognition of equity settled share-based payment	-	-	-	529	-	529
At 30 June 2017 (unaudited)	28,000	2,522	3,497	6,888	60,180	101,087

Note: The special reserve represents (i) the contribution from SiS International Holdings Limited ("SiS International") in relation to the acquisition of Synergy Technologies (Asia) Limited in prior year and (ii) the difference between the nominal value of the shares of the Company issued pursuant to the group reorganisation and the aggregate share capital of the companies comprising the Group as at the date of the group reorganisation.

Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Six months ended	
	30 June 2017 HK\$'000 (unaudited)	30 June 2016 HK\$'000 (unaudited)
Net cash (used in) from operating activities	<u>(3,485)</u>	<u>32,450</u>
Net cash (used in) from investing activities	<u>(6)</u>	<u>5</u>
Financing activities		
New bank borrowings raised	–	8,000
Repayment of bank borrowings	<u>–</u>	<u>(38,500)</u>
Net cash (used in) financing activities	<u>–</u>	<u>(30,500)</u>
Net (decrease) increase in cash and cash equivalents	(3,491)	1,955
Cash and cash equivalents at 1 January	<u>73,510</u>	<u>29,661</u>
Cash and cash equivalents at 30 June, represented by bank balances and cash	<u>70,019</u>	<u>31,616</u>

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

The accounting policies used in these condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016 except as described below.

In the current period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of Group’s condensed consolidated financial statements.

- Amendments to HKFSs Annual Improvements of HKFRSs 2014-2016 Cycle
- Amendments to HKAS 7 Disclosure Initiative
- Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

Additional disclosures about changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes on application of amendments to HKAS 7 will be provided in the consolidated financial statements for the year ending 31 December 2017. Other than described above, the application of the amendments to the HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current period and prior years and/or on the disclosures set out in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

3. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group is principally engaged in the sales and distribution of mobile phones and related products in Hong Kong. The consolidated revenue and consolidated gross profit of the Group are the measures reported to the executive directors of the Company, being the chief operating decision maker for the purposes of resource allocation and performance assessment. The executive directors consider that all products distributed by the Group have similar nature and therefore, concluded that there is only one operating and one reportable segment, which is the Group as a whole, and no further analysis for segment information is presented.

4. REVENUE

Revenue represents the net amount received and receivable for goods sold arising from the distribution and retail sales of mobile phones and related products.

5. PROFIT (LOSS) BEFORE TAX

	Six months ended	
	30 June	30 June
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit (loss) before tax has been arrived at after charging and (crediting):		
Cost of inventories recognised as an expense	177,062	351,007
(Reversal of allowance) allowance on obsolete and slow moving inventories	(2,612)	6,587
Reversal of allowance for doubtful debts	(134)	–
Depreciation of property, plant and equipment	8	62
Changes in fair value of investment held-for-trading	24	–
Exchange gain, net	(87)	(107)
Loss on disposal of property, plant and equipment	–	11

6. INCOME TAX EXPENSE

	Six months ended	
	30 June	30 June
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The charge comprises:		
Hong Kong Profits Tax		
Current period	363	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

7. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the Group's profit of HK\$484,000 (30 June 2016: loss of HK\$7,584,000) and the weighted average number of ordinary shares calculated below.

	Six months ended	
	30 June	30 June
	2017	2016
	'000 shares	'000 shares
	(unaudited)	(unaudited)
<hr/>		

Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share

280,000	280,000
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The computation of diluted earnings (loss) per share for the six months ended 30 June 2017 and 2016 did not assume the exercise of share options of the Company as the exercise prices of those options are higher than the average market prices of the Company for the periods.

8. DIVIDENDS

The Directors do not recommend the payment of interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$6,000 (six months ended 30 June 2016: HK\$4,000) on the acquisition of property, plant and equipment.

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in trade and other receivables, deposits and prepayments are trade receivables of HK\$15,065,000 (31 December 2016: HK\$15,806,000). The following is an aged analysis of trade receivables presented based on the invoice date at end of each reporting period.

	30 June 2017 HK\$'000 (unaudited)	31 December 2016 HK\$'000 (audited)
Within 30 days	12,168	13,578
31 to 60 days	2,761	1,926
61 to 90 days	25	200
91 to 120 days	37	75
Over 120 days	74	27
Total trade receivables	15,065	15,806

The Group maintains a defined credit policy. Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customers. Limits granted to customers are reviewed periodically. For sales of goods, the Group allows an average credit period of 30 days to its trade customers. No interest is charged on overdue debts.

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Included in trade payables, other payables and accruals are trade payables of HK\$26,430,000 (31 December 2016: HK\$22,750,000). The average credit period on purchase of goods is 30 days. The following is an aged analysis of the trade payables presented based on the invoice date at end of each reporting period.

	30 June 2017 HK\$'000 (unaudited)	31 December 2016 HK\$'000 (audited)
Within 30 days	20,232	16,576
31 to 90 days	23	43
91 to 120 days	–	1
Over 120 days	6,175	6,130
Total trade payable	26,430	22,750

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

12. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Nominal value <i>HK\$'000</i>
Authorised		
At 1 January 2016 (audited), 31 December 2016 (audited) and 30 June 2017 (unaudited)	500,000,000	50,000
Issued and fully paid		
At 1 January 2016 (audited), 31 December 2016 (audited) and 30 June 2017 (unaudited)	280,000,000	28,000

13. SHARE-BASED PAYMENTS

Pursuant to the SiS Mobile Share Option Scheme adopted by the Company on 16 December 2014, the Company may grant options to qualified persons, including employees and directors of the Company, its subsidiaries and associates, and third parties with a view to maintain business relationship with such persons to subscribe for shares of the Company.

Share options were granted by the Company on 25 June 2015. No options were granted, exercised, lapsed or forfeited during the period ended 30 June 2017.

	Outstanding number of share options
At 31 December 2016 (audited) and 30 June 2017 (unaudited)	
Directors	6,390,000
Employees and others	1,500,000
	7,890,000

Notes to the Condensed Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 30 JUNE 2017

14. RELATED PARTY TRANSACTIONS

The directors are of the opinion that all the related party transactions have been established under terms as negotiated between the related parties.

The remuneration paid or payable to the directors of the Company who are considered to be the key management personnel for the six months ended 30 June 2017 was HK\$2,233,000 (six months ended 30 June 2016: HK\$2,851,000).

15. COMMITMENT

During the period, the Group entered into a renovation agreement with an independent third party for renovation of leased office and warehouse for the amount contracted but not provided for of HK\$462,000.

Interim Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

Financial Review and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group had total assets of HK\$139,907,000 which were financed by total equity of HK\$101,087,000 and total liabilities of HK\$38,820,000. The Group had current ratio of approximately 3.6 compared to that of approximately 3.7 at 31 December 2016.

As at 30 June 2017, the Group had HK\$70,019,000 (31 December 2016: HK\$73,510,000) bank balances and cash. The Group's working capital requirements were mainly financed by internal resources.

The Group maintained a healthy liquidity position. As at 30 June 2017, the Group had a net cash surplus of HK\$70,019,000 (31 December 2016: HK\$73,510,000).

There was no borrowing as at 30 June 2017. (31 December 2016: Nil).

CHARGES ON GROUP ASSETS

There was no pledged asset as at 30 June 2017 (31 December 2016: Nil).

NUMBER AND REMUNERATION OF EMPLOYEES, REMUNERATION POLICIES, BONUS AND SHARE OPTION SCHEMES

The number of staff of the Group as at 30 June 2017 was 36 (30 June 2016: 39) and the salaries and other benefits paid and payable to employees, excluding Directors' emoluments, amounted to HK\$5,814,000 (30 June 2016: HK\$6,814,000). In addition to the contributory provident fund and medical insurance, the Company adopts share option scheme and may grant shares to eligible employees of the Group. The Directors believe that the Company's share option schemes could create more incentives for directors and employees to work with commitment towards enhancing the value of the Company and its shareholders and therefore the Company can retain high caliber executives and employees. No share options have been exercised, granted, lapsed or forfeited during current period. The Group's remuneration policy is to relate performance with compensation. The Group's salary and discretionary bonus system is reviewed annually. There are no significant changes in staff remuneration policies from last year.

Financial Review and Analysis

CURRENCY RISK MANAGEMENT

Certain purchase of goods, other receivables and bank balances of the Group are denominated in United States Dollar (US\$), the currency other than the functional currencies of the relevant group entities. As Hong Kong Dollars are pegged to US\$, the management of the Group does not expect that there would be any material currency risk exposure between these two currencies. The Group currently does not have currency hedging policy. However, the management monitors the currency fluctuation exposure and will consider hedging significant currency risk exposure should the need arise.

The Group did not have any derivatives financial instrument outstanding as at 30 June 2017 (31 December 2016: Nil).

CAPITAL EXPENDITURE

During the period, the Group entered into a renovation agreement with an independent third party for renovation of leased office and warehouse for the amount contracted but not provided for of HK\$462,000 (31 December 2016: Nil).

CONTINGENT LIABILITIES

At 30 June 2017, the Group did not have any material contingent liabilities or guarantees (31 December 2016: Nil).

Other Information

DIRECTORS' INTERESTS IN SHARES

At 30 June 2017, the interests of the Directors and their associates, in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the HKEX pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(i) Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Director	Personal Interests	Family Interests	Joint Interests <i>(Note 1)</i>	Corporate interests <i>(Note 2 and 3)</i>	Total number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lim Kia Hong <i>(Note 4)</i>	1,846,754	161,280	-	203,607,467	205,615,501	73.43%
Lim Kiah Meng <i>(Note 4)</i>	1,729,024	144,000	170,880	203,607,467	205,651,371	73.45%
Lim Hwee Hai	1,065,984	1,145,330	-	-	2,211,314	0.79%

Notes:

- (1) *Shares are jointly held by Mr. Lim Kiah Meng and his spouse.*
- (2) *146,442,667 shares are registered in the name of SiS International Holdings Limited ("SiS International"). It is owned as to approximately 50.50% by Gold Sceptre Limited.*
- (3) *Gold Sceptre Limited holds 44,915,200 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 4,083,200 shares in the issued share capital of the Company. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.50% and 39.50%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.*
- (4) *In addition to the interests disclosed above, Mr. Lim Kiah Meng and his sister are trustees of an estate and are holding 97,280 shares on behalf of three beneficiaries aged below 18. Out of these 97,280 shares, 64,000 shares and 33,280 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interests of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.*

Other Information

DIRECTORS' INTERESTS IN SHARES (*cont'd*)

(ii) Share options

Directors of the Company and their associates had interest in share options under the Company's share option scheme, detail of which are set out in "Share Options" below.

(iii) Long positions in the shares and underlying shares of associated corporation of the Company

Ordinary share of HK\$0.10 each of SiS International, which is listed on the Main Board of the HKEX (Stock Code: 0529).

Name of Director	Personal Interests	Family Interests	Joint Interests (Note 1)	Corporate interests (Note 2)	Total number of issued ordinary shares held	Percentage of the issued share capital of SiS International
Lim Kia Hong (Note 3)	6,933,108	504,000	-	178,640,000	186,077,108	66.94%
Lim Kiah Meng (Note 3)	5,403,200	450,000	534,000	178,640,000	185,027,200	66.56%
Lim Hwee Hai	4,493,200	4,751,158	-	-	9,244,358	3.33%
Chu Chung Yi	1,662,000	-	-	-	1,662,000	0.60%

Notes:

- (1) 534,000 shares are jointly held by Mr. Lim Kiah Meng and his spouse.
- (2) Gold Sceptre Limited holds 140,360,000 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 12,760,000 shares in the issued share capital of SiS International. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.50% and 39.50%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.
- (3) In addition to the interests disclosed above, Mr. Lim Kiah Meng and his sister are trustees of an estate and are holding 304,000 shares on behalf of three beneficiaries aged below 18. Out of these 304,000 shares, 200,000 shares and 104,000 shares are beneficially owned by the children of Mr. Lim Kiah Meng and Mr. Lim Kia Hong respectively, and are included in the family interests of Mr. Lim Kiah Meng and Mr. Lim Kia Hong as disclosed above.

Other Information

DIRECTORS' INTERESTS IN SHARES (cont'd)

- (iv) Share options of SiS International, an associated corporation of the Company

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	No. of share options of SiS International
				Outstanding at 31 December 2016 (audited) and 30 June 2017 (unaudited)
Directors and their associates:				
Lim Kia Hong				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
Lim Hwee Hai (Note)				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	100,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	100,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	100,000
Lim Kiah Meng				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	50,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	50,000
Wong Yi Ting				
26.06.2015	27.06.2015-31.12.2015	01.01.2016-26.06.2025	4.47	20,000
26.06.2015	27.06.2015-31.12.2016	01.01.2017-26.06.2025	4.47	20,000
26.06.2015	27.06.2015-31.12.2017	01.01.2018-26.06.2025	4.47	20,000
				660,000

Note: Mr. Lim Hwee Hai interest in the share options of the Company includes the deemed interest in his spouse under the SFO.

Other Information

SHARE OPTIONS

For details of the Company's share option scheme, please refer to page 26 in the 2016 annual report.

The following table discloses movements in Company's share options during the period:

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	No. of share options
				Outstanding at 31 December 2016 (audited) and 30 June 2017 (unaudited)
Directors and their associates:				
Lim Kia Hong				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000
Lim Hwee Hai (Note)				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	600,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	600,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	600,000
Lim Kiah Meng				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	400,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	400,000
Fong Po Kiu				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	300,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	300,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	300,000
Wong Yi Ting				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	150,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	150,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	150,000

Other Information

SHARE OPTIONS (cont'd)

Date of grant	Vesting period	Exercisable period	Exercise price HK\$	No. of share options
				Outstanding at 31 December 2016 (audited) and 30 June 2017 (unaudited)
Directors and their associates: (cont'd)				
Chu Chung Yi				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	93,334
Ng See Wai Rowena				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	93,334
Doe Julianne Pearl				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	93,333
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	93,334
Total directors and their associates				6,390,000
Employees and other qualified persons				
25.06.2015	26.06.2015-31.12.2015	01.01.2016-30.06.2023	2.36	500,000
25.06.2015	26.06.2015-31.12.2016	01.01.2017-30.06.2023	2.36	500,000
25.06.2015	26.06.2015-31.12.2017	01.01.2018-30.06.2023	2.36	500,000
Total employees and other qualified persons				1,500,000
Total number of share options				7,890,000

Note: Mr. Lim Hwee Hai interest in the share options of the Company includes the deemed interest in his spouse under the SFO.

Other than disclosed above, no share options were granted, exercised, forfeited or expired during the reporting period.

Other Information

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2017, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and the chief executive, the following shareholders had notified the Company of relevant interests and long positions in the issued share capital of the Company.

Long positions in ordinary shares of HK\$0.10 each of the Company

Name of Shareholder	Corporate interests <i>(Note)</i>	Approximate % of issued share capital of the Company
Summertown Ltd	203,607,467	72.72%
Gold Sceptre Limited	191,357,867	68.34%
SiS International Holdings Limited	146,442,667	52.30%

Note: 146,442,667 shares are registered in the name of SiS International. SiS International is owned as to approximately 50.50% by Gold Sceptre Limited. Gold Sceptre Limited holds 44,915,200 shares and Kelderman Limited, Valley Tiger Limited and Swan River Limited each holds 4,083,200 shares in the issued share capital of the Company. Mr. Lim Kiah Meng and his spouse and Mr. Lim Kia Hong and his spouse together own 40.50% and 39.50%, respectively of the issued share capital of Summertown Limited which owns the entire issued share capital of each of the above-mentioned companies.

Other than disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2017.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKEX (the “Listing Rules”). Throughout the period ended 30 June 2017, the Company has complied with the code provision under the Code.

Other Information

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in securities of the Company. Having made specific enquiry of all directors, all directors confirmed they have complied with the Model Code.

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed the Company’s condensed consolidated financial statements for the six months ended 30 June 2017, including the accounting principles and practices adopted by the Company.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company’s shares were listed on the Main Board of the HKEX on 15 January 2015. Net proceeds from the global offering were approximately HK\$4.7 million. The Company intended to use the net proceeds in accordance with the proposed applications set out in the section headed “Future Plans and Use of Proceeds” contained in the prospectus of the Company dated 31 December 2014. Since the listing of the Company’s shares, the Company has used approximately HK\$0.4 million from such proceeds as working capital per proposed applications.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the period ended 30 June 2017.

On behalf of the Board of
SiS Mobile Holdings Limited

Lim Kiah Meng

Director

Hong Kong, 21 August 2017

Corporate Information

DIRECTORS

Non-executive Directors:

Lim Kia Hong (*Chairman*)
Lim Hwee Hai

Executive Directors:

Lim Kiah Meng
Fong Po Kiu
Wong Yi Ting

Independent Non-executive Directors:

Chu Chung Yi
Ng See Wai Rowena
Doe Julianne Pearl

AUDIT COMMITTEE

Chu Chung Yi (*Chairlady*)
Ng See Wai Rowena
Doe Julianne Pearl

REMUNERATION COMMITTEE

Ng See Wai Rowena (*Chairlady*)
Lim Kia Hong
Lim Kiah Meng
Chu Chung Yi
Doe Julianne Pearl

NOMINATION COMMITTEE

Lim Kia Hong (*Chairman*)
Lim Kiah Meng
Chu Chung Yi
Ng See Wai Rowena
Doe Julianne Pearl

COMPANY SECRETARY

Wong Yi Ting

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Cleary Gottlieb Steen & Hamilton (Hong Kong)

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Oversea-Chinese Banking Corporation Ltd.
Standard Chartered Bank (Hong Kong) Ltd.
United Overseas Bank Limited

REGISTERED OFFICE

Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

6/F Contempo Place
81 Hung To Road
Kwun Tong
Kowloon, Hong Kong
Telephone: (852) 2138 3938
Fax: (852) 2138 3928

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
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STOCK CODE

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INVESTOR RELATIONS

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